

# Vandana Knitwear Limited

(Formerly known as Trendy Knitwear Limited)

Annual Report and Accounts  
2011-12

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## **VANDANA KNTWEAR LIMITED**

ANNUAL REPORT 2011-12

### **BOARD OF DIRECTORS**

<b>Mukesh Gadiya</b>	-	Chairman & Managing Director
<b>Babulal Khimraj Jain</b>	-	Promoter & Executive Director
<b>Satya Narayan Gadiya</b>	-	Independent & Non-Executive Director
<b>Pradeep Saremal Jain</b>	-	Independent & Non-Executive Director
<b>Pawan Mandowara<sup>(1)</sup></b>	-	Independent & Non-Executive Director
<b>Nidhi Gupta<sup>(2)</sup></b>	-	Company Secretary

### **BOARD COMMITTEES**

#### **AUDIT COMMITTEE**

<b>Mr. Satya Narayan Gadiya</b>	-	Chairman
<b>Mr. Babulal Khimraj Jain</b>	-	Member
<b>Mr. Pradeep Saremal Jain</b>	-	Member

#### **SHARE TRANSFER/INVESTOR'S GRIEVANCES REDRESSAL COMMITTEE**

<b>Mr. Satya Narayan Gadiya</b>	-	Chairman
<b>Mr. Babulal Khimraj Jain</b>	-	Member
<b>Mr. Pradeep Saremal Jain</b>	-	Member

#### **REMUNERATION COMMITTEE**

<b>Mr. Satya Narayan Gadiya</b>	-	Chairman
<b>Mr. Pawan Mondowara</b>	-	Member
<b>Mr. Pradeep Saremal Jain</b>	-	Member

#### **CHIEF EXECUTIVE OFFICER**

**Mr. Babulal Khimraj Jain**

#### **COMPLIANCE OFFICER**

**Mr. Pradeep Saremal Jain**

#### **STATUTORY AUDITORS**

M/s. S. N. Kabra & Company,  
Chartered Accountants,  
207 'C' Block Silver Mall,  
R.N.T. Marg, Indore,  
Madhya Pradesh – 452 001

#### **REGISTRAR & SHARE TRANSFER AGENT**

System Support Services  
Gala 209, Shivai Ind. Estate,  
Sakinaka, Andheri Kurla Road,  
Mumbai, Maharashtra –400 072  
Email ID: sysss72@yahoo.com  
Tel. No.: 022-2850 0835; Fax No.: 022-2850 1438

#### **REGISTERED OFFICE ADDRESS**

4-1-223, Hanuman Takdi,  
Bank Street, Hyderabad,  
Andhra Pradesh – 500 095  
Web Address: [www.trendyknitwearlimited.com](http://www.trendyknitwearlimited.com)  
E-mail ID: [trendyknitwear@gmail.com](mailto:trendyknitwear@gmail.com)  
Tel No. 040-2476 322, Fax No. 040-2476 8877

#### **BANKERS**

Axis Bank Ltd.  
Dena Bank

<sup>(1)</sup> Appointed as an Additional Director of the Company with effect from 10<sup>th</sup> Nov., 2011.

<sup>(2)</sup> Appointed as a Company Secretary of the Company with effect from 9<sup>th</sup> May, 2011.

**NOTICE OF THE ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Seventeenth **Annual General Meeting** of the Members of **VANDANA KNITWEAR LIMITED (formerly known as Trendy Knitwear Limited)** will be held on Friday, the 28<sup>th</sup> day of September, 2012 at 10.30 A.M. at Jain Dharamshala, Next to Axis Bank, Hanuman Takdi, Bank Street, Hyderabad, Andhra Pradesh – 500 095 for transacting the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Balance Sheet as at March 31<sup>st</sup>, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Satya Narayan Gadiya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Pradeep Saremal Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. S. N. Kabra & Co., Chartered Accountants, the retiring Auditors, as the Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

5. To appoint Mr. Pawan Mandowara as Director and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** Mr. Pawan Mandowara, who was appointed as an Additional Director, pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from one of its Member proposing his candidature for the office of Director under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

6. To consider and if thought fit, to pass, with or without modification (s), the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof), and all other statutory provisions, approvals including Central Government, if required and as may be applicable, the consent of the Company be and is hereby accorded to the appointment of Mr. Mukesh Gadiya as Chairman and Managing Director of the Company for a period of 5 (five) years with effect from 10<sup>th</sup> November, 2011 and subject to other terms & conditions and stipulations, including remuneration as set out in Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and /or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment(s) thereof.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the said terms of appointment of Mr. Mukesh Gadiya, Chairman & Managing Director of the Company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

**BY ORDER OF THE BOARD  
FOR VANDANA KNITWEAR LIMITED**

**PLACE: HYDERABAD  
DATE: 14<sup>th</sup> August, 2012**

**MUKESH GADIYA  
(CHAIRMAN & MANAGING DIRECTOR)**

**NOTES:**

1. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
  
**The duly stamped, filled and signed instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting.**
3. Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the Meeting.
4. Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
5. Members desiring any information with regards to the accounts are requested to write to the Company at least 10 (ten days) prior to the date of meeting to enable the Management to keep the information ready at the meeting.
6. All the documents referred to in the Notice will be available for inspection by the Members at the Registered Office of the Company between 10.30 A.M. to 12.30 P.M. on all working days from the date hereof up to the date of meeting.
7. Members are informed that in case of joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
8. Members are requested to immediately intimate change of Address / bank mandate, if any, to their respective Depository Participants (DP) in respect of their electronic share accounts and to the Company's Registrar and Share Transfer Agents, in respect of their physical share folios.
9. Members having shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to the Company's Registrars and Transfer Agents, for consolidation into single Folio.
10. Members may now avail the facility of nomination by nominating, in the prescribed form, a person to whom their shares in the Company shall vest in the event of their death. Interested Members may write to the Registrars and Share Transfer Agents for the prescribed form.
11. Profiles of the Directors seeking re-appointment, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, is annexed to this notice.
12. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 24<sup>th</sup> September, 2012 to Friday, 28<sup>th</sup> September, 2012 (both days inclusive).

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**ITEM NO. 5**

To broadbase the Board of Directors and to comply with the requirement of Clause 49 of the Listing Agreement, Mr. Pawan Mandowara was appointed as an Additional Director of the Company in the category of Non-executive Independent Director w.e.f. 10<sup>th</sup> November, 2011. As per the provisions of Section 260 of the Act read with Article 96 of the Articles of Association of the Company, an Additional Director shall hold office only upto the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as a Director.

The Company has received a Notice in writing from a Member along with a deposit of Rs. 500/- proposing the candidature of Mr. Pawan Mandowara for the office of Director of the Company, under the provisions of Section 257 of the Companies Act, 1956 (the Act).

It will be in interest of the Company that Mr. Pawan Mandowara is appointed as Director, who if appointed, shall be liable to retire by rotation, in accordance with the provisions of Articles of Association of the Company.

A brief Resume of Mr. Pawan Mandowara, nature of expertise in specific functional areas and names of other Companies in which he holds Directorships and memberships /Chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement signed by the Company with the Stock Exchange in India, are provided in Report of Corporate Governance forming part of the Annual Report.

Save and except Mr. Pawan Mandowara, none of the other Directors of the Company, are in any way, concerned or interested in this Resolution.

The Board recommends the Ordinary Resolution for approval.

## ITEM NO. 6

The Board of Directors of the Company (the 'Board'), at its meeting held on 10<sup>th</sup> November, 2011 has, subject to the requisite approvals, if any, appointed Mr. Mukesh Gadiya as Chairman and Managing Director of the Company, for a period of 5 (five) years w.e.f. 10<sup>th</sup> Nov., 2011, on the remuneration recommended by the Remuneration Committee of the Board at its meeting held on 10<sup>th</sup> November, 2011.

The present proposal is to seek the Members' approval for the appointment of and remuneration payable to Mr. Mukesh Gadiya as Chairman and Managing Director, in terms of the applicable provisions of the Companies Act, 1956.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Mukesh Gadiya are as under:

The proposed remuneration is within the permissible limits as laid down under Sections 198, 309 and Schedule XIII annexed to the Companies Act, 1956.

The information required to be furnished to the shareholders in terms of revised Schedule XIII are being furnished here in below:

- (A) **General Information:** Vandana Knitwear Limited was incorporated as Public Limited Company on 22<sup>nd</sup> March, 1995 under the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh at Hyderabad with the main object to manufacture, sell and deal in the readymade garments. The Company started its commercial production w.e.f. 28<sup>th</sup> April, 1995. No foreign collaborator of any type is presently involved in the project.
- (B) **Information about the Appointee:** Mr. Mukesh Gadiya, 41 years old is a commerce graduate. He is having experience in the field of Garments industry including trading & export of Garments. Fabrics, textiles and allied. His experience have always been helpful in the Company's progress.
- (C) **Nature of Duties:** Mr. Mukesh Gadiya, Chairman and Managing Director, shall perform and discharge all such duties and responsibilities as may from time to time be assigned and entrusted to him by the Board, subject to the superintendence, control and direction of the Board of Directors of the Company.
- (D) **Comparative Remuneration in the Industry:** No such data is available with the Company but the Board is of the view that the Remuneration paid /proposed to be paid by the Company is totally in line with the excellent performance made by the Company under his stewardship.

## (E) Financial Performance:

(In Rs.)			
Particulars	March 31, 2012	March 31, 2011	March 31, 2010
Sales	1,51,86,010	10,75,121	9,18,760
Net Profit after Tax	10,44,128	8,96,327/-	2,35,977
Exports	NIL	NIL	NIL
Foreign Exchange Earned	NIL	NIL	NIL
Foreign Exchange used	NIL	NIL	NIL

- (F) **Export Performance:** The Company is engaged in the sector of Textile Garment & Fabrics. It caters to domestic markets as such no export of garments till date by the Company.
- (G) **Remuneration:** During the year 2011-12, Mr. Mukesh Gadiya was paid Rs. 75000/-Mr. Mukesh Gadiya shall be entitled to the maximum of following emoluments, benefits and perquisites during the period of his employment subject to the ceiling limits laid down in Sections 198, 309 and Schedule XIII annexed to the Companies Act, 1956:
- (I) **Basic Salary:** Rs. 15,000/- per month
- (II) **Perquisites:** In addition to above the following Perquisites not exceeding the overall ceiling prescribed under schedule XIII, annexed to the Companies Act, 1956 will be provided to the Chairman and Managing Director:

**CATEGORY (A)****a) Medical Reimbursement**

Medical expenses actually incurred for self and family shall be reimbursed by the Company under Medi Claim Policy.

**b) Leave Travel Concession**

Company shall provide leave travel fare for the Chairman and his family once in a year, anywhere in India as per the Rules applicable to the Company and Income Tax Rules.

**CATEGORY (B)**

In addition to the perquisites, Mr. Mukesh Gadiya shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration mentioned above, as permissible by law:

- (i) **Contribution to Provident Fund / Superannuation Fund or Annuity Fund** will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- (ii) **Gratuity** payable shall not exceed half a month's Basic Salary for each completed year of service.
- (iii) **Leave and Leave Encashment** as per the rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Company rules.

**CATEGORY (C)****(a) Conveyance**

Free use of the Company's car with driver, for business purpose only.

**(b) Reimbursement of Expenses**

Apart from the remuneration as aforesaid, Mr. Mukesh Gadiya, Chairman and Managing Director shall also be entitled to reimbursement of all such expenses including the entertainment expenses, as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company including the entertainment expenses.

**(c) Sitting Fees etc.**

No sitting fees shall be paid to Mr. Mukesh Gadiya, Chairman and Managing Director for attending the Meetings of Board of Directors or any committee thereof.

- (d) Where in any financial year, the company has no profits or its profits are inadequate, the Chairman and Managing Director shall be entitled to remuneration and perquisites, as mentioned above within the minimum remuneration specified in Schedule XIII of the said Act.

The terms & conditions, as above, may be altered / varied from time to time by the Board of Directors as it may, in its absolute discretion, deem fit within the maximum amount payable to the appointee in accordance with Schedule XIII annexed to the Companies Act, 1956 as may be amended from time to time or any other relevant Statutory enactment(s) thereof in this regard.

**III Other Terms & Conditions:**

- (i) Mr. Mukesh Gadiya will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- (ii) Either party giving the other party three-month's prior notice in writing to that effect may terminate the agreement.
- (iii) In the event of cessation of the office during the financial year a ratable proportion of the aforesaid remuneration shall be payable by the Company, to Chairman and Managing Director. However, no compensation for loss of office will be payable by the Company as contemplated under the provisions of Section 318 of the Companies Act, 1956.



- (iv) If in any case, Mr. Mukesh Gadiya ceases to be Director of the Company for any reason whatsoever, he shall cease to be the Chairman and Managing Director.
- (v) The said appointment of Mr. Mukesh Gadiya on the terms & conditions as set out above including his remuneration as referred above is subject to approval of the General Board Meeting.”
- (vi) Mr. Mukesh Gadiya shall not be liable to retire by rotation.

None of the Directors except Mr. Mukesh Gadiya as Appointee and Mr. Satya Narayan Gadiya, Director being relative, are concerned or interested in the said Special Resolution.

This Explanatory Statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

The Board recommends the Special Resolution for approval.

**BY ORDER OF THE BOARD  
FOR VANDANA KNITWEAR LIMITED**

**PLACE: HYDERABAD  
DATE: 14<sup>th</sup> August, 2012**

**MUKESH GADIYA  
(CHAIRMAN & MANAGING DIRECTOR)**

**VANDANA KNITWEAR LIMITED**

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**ANNEXURE TO THE NOTICE OF 17<sup>TH</sup> AGM**

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the directors who are proposed to be appointed / re-appointed at the ensuing Annual General Meeting to be held on 28<sup>th</sup> September, 2012:

NAME OF DIRECTOR	Mr. Satya Narayan Gadiya	Mr. Pradeep Saremal Jain	Mr. Pawan Mandowara	Mr. Mukesh Gadiya
DIN	00038895	03363790	03201119	03025764
AGE	56 Years	40 Years	29 Years	41 Years
DATE OF APPOINTMENT	30.09.2010	30.09.2010	10.11.2011	10.05.2010
Designation	Director	Director	Director	Chairman and Managing Director
Expertise in specific functional area	Auditing Of Corporate, Firm, Banks , Taxation Including Direct & Indirect, Project Finance Etc.	Finance, Accounts, Marketing	Finance, Accounts, Audit & Taxation	Trading & Export Of Garments, Fabrics, Textile & Other Commodity Trading.
Qualification	B. Com, FCA	B. Com	B. Com, CA	B.Com
Directorship in other Public Limited Companies as on 31/03/2012	NIL	NIL	NIL	NIL
Member/Chairman of the Committees of the Board of other Companies as on 31/03/2012	NIL	NIL	NIL	NIL

**BY ORDER OF THE BOARD  
FOR VANDANA KNITWEAR LIMITED**

**PLACE: HYDERABAD  
DATE: 14<sup>th</sup> August, 2012**

**MUKESH GADIYA  
(CHAIRMAN & MANAGING DIRECTOR)**